

Statement of  
Senator Susan M. Collins

**‘Follow the Money: Transparency and Accountability  
for Recovery and Reinvestment Spending’**

Committee on Homeland Security and Governmental Affairs  
March 5, 2009

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Over the past year and a half, we have witnessed the collapse of the housing market, the unraveling of our nation’s financial institutions, and the evaporation of trillions of dollars in the stock market and in people’s retirement accounts.

The financial crisis that started on Wall Street has become a crisis on Main Street in every community in America. Nearly 600,000 Americans lost their jobs in the month of January alone, bringing the total number lost since the end of the summer to 2.5 million. The nation’s

unemployment rate is the highest it has been in more than 16 years.

That is why the stimulus bill we passed a few weeks ago is so critical. The economic stimulus package contains robust infrastructure spending, significant funding for state aid, tax relief for low- and middle-income families, and incentives for small businesses. It will save or create an estimated 3.5 million jobs. The investments in that bill should help turn this economy around. To be successful, however, these stimulus funds must be spent effectively and with transparency and accountability. They cannot be lost to waste, fraud, and mismanagement.

If these funds are not awarded in a timely, transparent, and appropriate manner, the impact of the economic stimulus package on the recovery will be

**blunted, and the results – whether for new jobs, better roads and schools, or other critical investments – will fall short of our expectations.**

**When there is a lack of accountability of federal funds aimed at stabilizing the economy, goals are not accomplished, and public support evaporates.**

**To avoid the oversight flaws of the TARP and help prevent similar abuse of stimulus funds, Congress included strong safeguards in the economic stimulus bill. These protections will help ensure aggressive oversight, enhanced transparency, and accountability for taxpayer dollars. The law includes additional funding for agency Inspectors General and the Government Accountability Office – government watchdogs charged with specific stimulus oversight.**

**The law also creates the “Recovery Act Transparency Board” to coordinate federal oversight efforts. A new website, Recovery.gov, will allow the public to access information on how stimulus money is being spent. The more eyes looking at this spending, the better.**

**Ensuring stimulus funds are spent properly also requires an effective acquisition workforce to develop and monitor stimulus contracts. Federal contract purchases now exceed \$532 billion a year, yet the federal government has entered the 21st Century with 22 percent fewer federal civilian acquisition personnel than it had at the start of the 1990s. This means that as our contract spending continues to increase dramatically, our contracting workforce continues to shrink. Now the down-sized and shrinking acquisition workforce must**

**effectively manage their existing responsibilities in addition to new stimulus contracts.**

**And acquisition workforce challenges may be more pronounced in states and local communities. As Allan Burman, former head of the Office of Federal Procurement Policy, has pointed out, the lack of adequate numbers of well-trained acquisition personnel at the federal, state, and local level could inhibit the up-front planning necessary for effective contracting. Whether in Iraq reconstruction, Hurricane Katrina-related contracts, or in numerous other contexts, a lack of planning has produced egregious examples of waste.**

**Today's hearing will examine the Administration's plans to safeguard the taxpayers' interests in the economic stimulus plan.**

**Our government has an obligation to make sure these funds are spent wisely so that they will have the maximum positive impact on our economy. America's families, struggling with the economic downturn, deserve no less.**

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